

Town of Atherton, California

General Purpose Financial Statements

For the year ended June 30, 2000

C&L
Caporicci, Cropper & Larson, LLP
Certified Public Accountants

Town of Atherton
 General Purpose Financial Statements
 For the year ended June 30, 2000

Table of Contents

	<u>Page</u>
Independent Auditors' Report.....	1
General Purpose Financial Statements:	
Combined Balance Sheet - All Fund Types and Account Groups.....	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types.....	7
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – All Governmental Fund Types.....	8
Combined Statement of Revenues, Expenses and Changes in Retained Earnings – All Proprietary Fund Types.....	10
Combined Statement of Cash Flows – All Proprietary Fund Types.....	11
Notes to General Purpose Financial Statements.....	13
Required Supplementary Information.....	30
Combining, Individual Funds and Account Groups Financial Statements and Schedules:	
<i>Special Revenue Funds:</i>	
Combining Balance Sheet.....	32
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	34
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	36
<i>Capital Projects Funds:</i>	
Combining Balance Sheet.....	41
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	43
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	44
<i>Agency Funds:</i>	
Statement of Changes in Assets and Liabilities.....	47
Combining Statement of Changes in Assets and Liabilities.....	48



Caporicci, Cropper & Larson, LLP
Certified Public Accountants

Offices located in:
Irvine, California
Walnut Creek, California

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council
of the Town of Atherton
Atherton, California

We have audited the accompanying general purpose financial statements of the Town of Atherton, California (Town) as of and for the year ended June 30, 2000, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of the Town. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Because complete records are not maintained for fixed assets, we were unable to form an opinion regarding the amounts at which the General Fixed Assets Account Group (stated at \$4,949,201) are recorded in the accompanying general purpose financial statements as of and for the year ended June 30, 2000.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to audit the General Fixed Assets Account Group, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town as of June 30, 2000, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying combining, individual funds and account groups financial statements and schedules listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town. This additional information is the responsibility of the management of the Town. Such additional information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects when considered in relation to the general purpose financial statements taken as a whole.

Caporicci, Cropper & Larson, LLP

Walnut Creek, California
August 25, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS

Town of Atherton
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2000
(With comparative totals for June 30, 1999)

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
ASSETS			
Cash and investments in treasury (Note 3)	\$ 4,960,732	\$ 154,361	\$ 1
Receivables (net of allowances):			
Accounts	99,883	-	
Interest	26,088	-	
Due from other funds (Note 5)	33,145	-	
Prepaid expenses	2,500	-	
Land, building and equipment (Note 4)	-	-	
Amount to be provided for retirement of long-term obligations	-	-	
Total assets	\$ 5,122,348	\$ 154,361	\$ 1
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 123,362	\$ 2,698	\$
Accrued payroll	70,650	-	
Deposits payable	483,185	-	
Due to other funds (Note 5)	-	33,145	
Accumulated compensated absences (Note 2)	-	-	
Total liabilities	677,197	35,843	
Fund Equity:			
Investment in general fixed assets	-	-	
Retained earnings	-	-	
Fund Balances:			
Reserved:			
Encumbrances	68,100	7,800	
Compensation adjustment	340,000	-	
Contingency	3,000,000	-	
Capital projects	-	-	1,
Designated:			
Streets	-	-	
Compensated absences	290,000	-	
Insurance	550,000	-	
Cash flow	197,051	-	
Undesignated	-	110,718	
Total fund equity	4,445,151	118,518	1,
Total liabilities and fund equity	\$ 5,122,348	\$ 154,361	\$ 1,

See accompanying notes to general purpose financial statements.

Proprietary Fund Types	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
		General	General Long-	2000	1999
		Fixed Assets	Term Obligations		
Internal Service	Agency				
\$ 2,542	\$ 87,515	\$ -	\$ -	\$ 6,242,252	\$ 5,339,564
-	11,432	-	-	192,522	92,694
-	(25)	-	-	26,063	8,167
-	-	-	-	33,145	2,316
-	-	-	-	2,500	-
-	-	4,949,201	-	4,949,201	4,898,317
-	-	-	287,802	287,802	400,505
<u>\$ 2,542</u>	<u>\$ 98,922</u>	<u>\$ 4,949,201</u>	<u>\$ 287,802</u>	<u>\$ 11,733,485</u>	<u>\$ 10,741,563</u>
\$ ✓ 4,446	\$ 20	\$ -	\$ -	\$ 141,627	\$ 212,583
-	-	-	-	70,650	78,781
-	(98,902)	-	-	582,087	312,785
-	-	-	-	33,145	2,316
-	-	-	287,802	287,802	400,505
<u>4,446</u>	<u>98,922</u>	<u>-</u>	<u>287,802</u>	<u>1,115,311</u>	<u>1,006,970</u>
-	-	4,949,201	-	4,949,201	4,898,317
(1,904)	-	-	-	(1,904)	35,244
-	-	-	-	98,100	156,940
-	-	-	-	340,000	-
-	-	-	-	3,000,000	-
-	-	-	-	1,085,008	1,004,547
-	-	-	-	-	179,043
-	-	-	-	290,000	400,505
-	-	-	-	550,000	550,000
-	-	-	-	197,051	2,493,028
-	-	-	-	110,718	16,969
<u>(1,904)</u>	<u>-</u>	<u>4,949,201</u>	<u>-</u>	<u>10,618,174</u>	<u>9,734,593</u>
<u>\$ 2,542</u>	<u>\$ 98,922</u>	<u>\$ 4,949,201</u>	<u>\$ 287,802</u>	<u>\$ 11,733,485</u>	<u>\$ 10,741,563</u>

This page intentionally left blank.

Town of Atherton

Combined Statement of Revenues, Expenditures and Changes in Fund Balance

All Governmental Fund Types

For the year ended June 30, 2000

(With comparative totals for the year ended June 30, 1999)

	Governmental Fund Types			Totals (Memorandum Only)	
	General	Special Revenue	Capital Projects	2000	1999
REVENUES:					
Property taxes	\$ 2,053,129	\$ 1,573,942	\$ -	\$ 3,627,071	\$ 3,432,137
Special assessments	-	-	80,149	80,149	26,208
Sales taxes	592,283	-	-	592,283	294,708
Measure A grants	-	222,128	-	222,128	226,226
Other taxes	1,004,168	-	-	1,004,168	777,456
Permits and licenses	1,153,463	-	-	1,153,463	986,468
Fines and forfeitures	121,063	-	-	121,063	112,858
From other agencies	157,053	16,771	-	173,824	100,301
Service charges	461,558	-	-	461,558	416,068
Use of money and property	292,839	10,734	48,337	351,910	231,919
Gas tax	-	138,901	-	138,901	151,993
Donations	-	-	30,618	30,618	6,814
Other revenues	46,094	-	-	46,094	33,777
Total revenues	5,881,650	1,962,476	159,104	8,003,230	6,796,933
EXPENDITURES:					
Current:					
General government:					
City council	15,663	-	-	15,663	36,891
City administration	391,445	-	-	391,445	310,660
City clerk	82,387	-	-	82,387	49,677
City attorney	175,093	-	-	175,093	217,427
Finance	295,541	-	-	295,541	270,446
Administration services	96,293	-	-	96,293	9,052
Building safety	634,586	-	-	634,586	676,437
Holbrook Palmer Park	261,982	-	-	261,982	242,846
Public works administration	291,203	-	-	291,203	255,797
Police	3,373,933	9,120	-	3,383,053	3,343,830
Park maintenance	181,841	138	-	181,979	263,607
Streets	449,641	427,091	-	876,732	1,053,826
Capital projects	-	-	447,428	447,428	364,946
Total expenditures	6,249,608	436,349	447,428	7,133,385	7,095,442
REVENUES OVER (UNDER) EXPENDITURES	(367,958)	1,526,127	(288,324)	869,845	(298,509)
OTHER FINANCING SOURCES (USES):					
Operating transfers in (Note 5)	1,492,309	60,134	307,735	1,860,178	1,742,557
Operating transfers out (Note 5)	(186,236)	(1,673,942)	-	(1,860,178)	(1,742,557)
Total other financing sources (uses)	1,306,073	(1,613,808)	307,735	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	938,115	(87,681)	19,411	869,845	(298,509)
FUND BALANCE:					
Beginning of year	3,507,036	206,199	1,087,797	4,801,032	5,099,541
End of year	\$ 4,445,151	\$ 118,518	\$ 1,107,208	\$ 5,670,877	\$ 4,801,032

See accompanying notes to general purpose financial statements.

Town of Atherton

Combined Statement of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual - All Governmental Fund Types

For the year ended June 30, 2000

	General		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES:			
Property taxes	\$ 2,084,300	\$ 2,053,129	\$ (31,171)
Special assessments	-	-	-
Sales taxes	155,000	592,283	437,283
Measure A grants	-	-	-
Other taxes	731,500	1,004,168	272,668
Permits and licenses	902,600	1,153,463	250,863
Fines and forfeitures	92,600	121,063	28,463
From other agencies	169,160	157,053	(12,107)
Service charges	416,680	461,558	44,878
Use of money and property	243,800	292,839	49,039
Gas tax	-	-	-
Donations	1,500	-	(1,500)
Other revenues	15,100	46,094	30,994
Total revenues	4,812,240	5,881,650	1,069,410
EXPENDITURES:			
Current:			
General government:			
City council	16,702	15,663	1,039
City administration	313,015	391,445	(78,430)
City clerk	82,996	82,387	609
City attorney	132,352	175,093	(42,741)
Finance	309,366	295,541	13,825
Administrative services	97,335	96,293	1,042
Building safety	631,996	634,586	(2,590)
Holbrook-Palmer Park	249,885	261,982	(12,097)
Public works administration	298,279	291,203	7,076
Police	3,429,536	3,373,933	55,603
Park maintenance	168,283	181,841	(13,558)
Streets	521,336	449,641	71,695
Capital projects	-	-	-
Total expenditures	6,251,081	6,249,608	1,473
REVENUES OVER (UNDER) EXPENDITURES	(1,438,841)	(367,958)	1,070,883
OTHER FINANCING SOURCES (USES):			
Operating transfers in	1,497,750	1,492,309	(5,441)
Operating transfers out	-	(186,236)	(186,236)
Total other financing sources (uses)	1,497,750	1,306,073	(191,677)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	\$ 58,909	938,115	\$ 879,206
FUND BALANCE:			
Beginning of year		3,507,036	
End of year		<u>\$ 4,445,151</u>	

See accompanying notes to general purpose financial statements.

Special Revenue			Capital Projects			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 1,559,000	\$ 1,573,942	\$ 14,942	\$ -	\$ -	\$ -	\$ 3,643,300	\$ 3,627,071	\$ (16,229)
-	-	-	51,750	80,149	28,399	51,750	80,149	28,399
-	-	-	-	-	-	155,000	592,283	437,283
210,000	222,128	12,128	-	-	-	210,000	222,128	12,128
-	-	-	-	-	-	731,500	1,004,168	272,668
-	-	-	-	-	-	902,600	1,153,463	250,863
-	-	-	-	-	-	92,600	121,063	28,463
16,500	16,771	271	-	-	-	185,660	173,824	(11,836)
-	-	-	-	-	-	416,680	461,558	44,878
19,950	10,734	(9,216)	55,000	48,337	(6,663)	318,750	351,910	33,160
145,000	138,901	(6,099)	-	-	-	145,000	138,901	(6,099)
-	-	-	-	30,618	30,618	1,500	30,618	29,118
-	-	-	-	-	-	15,100	46,094	30,994
1,950,450	1,962,476	12,026	106,750	159,104	52,354	6,869,440	8,003,230	1,133,790
-	-	-	-	-	-	16,702	15,663	1,039
-	-	-	-	-	-	313,015	391,445	(78,430)
-	-	-	-	-	-	82,996	82,387	609
-	-	-	-	-	-	132,352	175,093	(42,741)
-	-	-	-	-	-	309,366	295,541	13,825
-	-	-	-	-	-	97,335	96,293	1,042
-	-	-	-	-	-	631,996	634,586	(2,590)
-	-	-	-	-	-	249,885	261,982	(12,097)
-	-	-	-	-	-	298,279	291,203	7,076
-	9,120	(9,120)	-	-	-	3,429,536	3,383,053	46,483
-	138	(138)	-	-	-	168,283	181,979	(13,696)
584,376	427,091	157,285	-	-	-	1,105,712	876,732	228,980
-	-	-	703,492	447,428	256,064	703,492	447,428	256,064
584,376	436,349	148,027	703,492	447,428	256,064	7,538,949	7,133,385	405,564
1,366,074	1,526,127	160,053	(596,742)	(288,324)	308,418	(669,509)	869,845	1,539,354
106,000	60,134	(45,866)	306,102	307,735	1,633	1,909,852	1,860,178	(49,674)
(1,665,000)	(1,673,942)	(8,942)	-	-	-	(1,665,000)	(1,860,178)	(195,178)
(1,559,000)	(1,613,808)	(54,808)	306,102	307,735	1,633	244,852	-	(244,852)
\$ (192,926)	(87,681)	\$ 105,245	\$ (290,640)	19,411	\$ 310,051	\$ (424,657)	869,845	\$ 1,294,502
	206,199			1,087,797			4,801,032	
	\$ 118,518			\$ 1,107,208			\$ 5,670,877	

Town of Atherton

Combined Statement of Revenues, Expenses and Changes in Retained Earnings

All Proprietary Fund Types

For the year ended June 30, 2000

(With comparative totals for the year ended June 30, 1999)

	Internal Service	
	2000	1999
OPERATING REVENUES:		
Charges for services	\$ 105,015	\$ 36,836
Total operating revenues	<u>105,015</u>	<u>36,836</u>
OPERATING EXPENSES:		
Risk management	100,823	-
Supplies and maintenance	41,340	35,971
Total operating expenses	<u>142,163</u>	<u>35,971</u>
OPERATING INCOME (LOSS)	<u>(37,148)</u>	<u>865</u>
NON-OPERATING REVENUES:		
Interest income	-	(601)
Total non-operating revenues	<u>-</u>	<u>(601)</u>
NET INCOME (LOSS)	<u>(37,148)</u>	<u>264</u>
RETAINED EARNINGS:		
Beginning of year	35,244	34,980
End of year	<u>\$ (1,904)</u>	<u>\$ 35,244</u>

See accompanying notes to general purpose financial statements.

Town of Atherton
Combined Statement of Cash Flows
All Proprietary Fund Types
For the year ended June 30, 2000
(With comparative totals for the year ended June 30, 1999)

	Internal Service	
	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating income	\$ (37,148)	\$ 865
Adjustments to reconcile operating income to net cash provided by operating activities:		
Net effect of changes in:		
Accounts payable	3,212	(3,556)
Net cash (used) by operating activities	<u>(33,936)</u>	<u>(2,691)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	<u>-</u>	<u>(601)</u>
Net cash provided by investing activities	<u>-</u>	<u>(601)</u>
Net (decrease) in cash and investments	(33,936)	(3,292)
CASH AND INVESTMENTS:		
Beginning of year	36,478	39,770
End of year	<u>\$ 2,542</u>	<u>\$ 36,478</u>

See accompanying notes to general purpose financial statements.

This page intentionally left blank.

Town of Atherton
Notes to General Purpose Financial Statements
For the year ended June 30, 2000

1. GENERAL

The Town of Atherton is a residential community located in the southern part of San Mateo County.

The Town operates as a general law town under the Council-Manager form of government, with five elected Council members served by a full-time City Manager and staff. At June 30, 2000, the Town's staff provided the following services:

Public Safety - The Town employs twenty-four sworn and seven unsworn police personnel to provide round-the-clock police services from a central station.

Public Works and Streets - The Town builds and maintains its streets, curbs, gutters and related public property with a force of seven full-time employees. Major projects are contracted out to reduce costs.

Parks Services - The Town employs four employees to provide park services.

Building Safety - The Town employs four people to approve building permits, check building plans, and perform inspections. A Town Planner and engineering firm are retained on a contract basis.

Town Administration - Six people provide Town administration services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town conform with generally accepted accounting principles applicable to governments. The following is a summary of the significant policies.

A. Fund Accounting

In order to ensure the proper identification of individual revenue sources and the expenditures made from those revenues, the accounts of the Town are organized on the basis of individual funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. The Town's resources are accounted for in the individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled.

Town of Atherton

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2000

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

In the Combined Financial Statements, these funds are grouped into the fund types and categories discussed below. The financial statements for each individual fund type are presented in the Combining Financial Statements section of this report.

Governmental Funds

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources for this Fund are property taxes, sales taxes, unrestricted revenues from the State, fines and forfeitures, and interest income. Expenditures are made for public safety, most street work, and other services as described in Note 1.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Proprietary Funds

Internal Service Funds - Internal Service Funds are used to account for the financing of services provided by one department to other departments on a cost reimbursement basis.

Fiduciary Funds

Agency Funds - Agency Funds are used to account for assets held by the Town as an agent for individuals, private organizations, other governments and/or other funds.

B. Measurement Focus

All governmental and agency funds are accounted for on a spending or "current financial resources" measurement focus which means that only *current* assets and *current* liabilities are generally included on their balance sheets. Their reported fund balance is their net current assets, which is considered only to be a measure of "available spendable resources." Governmental fund operating statements present a summary of sources and uses of "available spendable resources" during a period by presenting increases (revenues) and other financing sources including proceeds from long-term debt and decreases (expenditures) and other financing uses, including capital expenditures and repayments of long-term debt, in net current assets.

Town of Atherton
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Because of their spending measurement focus, governmental funds exclude fixed assets and non-current liabilities. Instead, these assets and liabilities are reported in the General Fixed Assets Account Group and the General Long-Term Obligations Account Group. These account groups measure only financial position; they are not funds and they do not measure results of operation. They maintain accounting control over the Town's governmental funds. The Town does not presently maintain complete accounting records for general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated.

In those cases when a governmental fund records a long-term receivable or other non-current asset, an offsetting credit is made to deferred revenue or undesignated fund balance is reduced to reflect the fact that this amount is not yet available.

Proprietary funds are accounted for on a cost of services or capital maintenance measurement focus, which means that all assets and all liabilities associated with their activity are included on their balance sheets. Their reported fund equity is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total assets.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Thus fund revenues are recognized when they become measurable *and* available as net current assets. Measurable means the amount of the transaction can be determined, and available means the amount is collectible within the current period or soon enough thereafter (generally thirty days) to be used to pay liabilities of the current period. Amounts which could not be measured or were not available were not accrued as revenue in the current fiscal year.

Those revenues susceptible to accrual are property tax, franchise taxes, interest revenue, charges for services, and fines.

Expenditures are also generally recognized under the modified accrual basis of accounting.

Proprietary fund types are accounted for using the accrual basis of accounting under which revenues are recognized when they are earned and expenses are recognized when they are incurred. The Town follows Financial Accounting Standard Board statements issued before

Town of Atherton

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2000

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

November 30, 1989, which do not conflict with Governmental Accounting Standards Board statements.

D. Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In May of each year, the City Manager submits to the City Council a proposed operating budget for the following fiscal year. This budget includes proposed expenditures, by fund and department, and the revenues expected to finance them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution before July 1.
4. The City Manager is authorized to transfer budgeted amounts between line items within any department; however, any revisions which alter total appropriations of any fund must be approved by the City Council. Additions and reductions in staffing must be approved by the City Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds (except the Asset Forfeiture Fund), and Capital Projects Funds.
6. Budgets are adopted on a basis consistent with generally accepted accounting principles.

Budget/actual comparisons in this report use this budgetary basis. These budgeted amounts are as originally adopted or as amended by the City Council. Individual amendments were not material in relation to the original appropriations which were amended.

E. Encumbrances

Under encumbrance accounting, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in the books in order to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, and Capital Projects

Town of Atherton
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Funds. Since they do not yet constitute expenditures or liabilities, encumbrances outstanding at year end are reported as reservations of fund balance. Unexpended appropriations lapse at year end and are reappropriated in the following year.

F. Fund Balances, Reserves, and Designations

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities. Portions of a fund's balance may be reserved or designated for future expenditures.

Reserves are restrictions placed by outside entities, such as other governments, which restrict the expenditures of the reserved funds to the purpose intended by the entity which provided the funds. The Town cannot modify or remove these restrictions or reserves.

Designations are imposed by City Council to reflect future spending plans or concerns about the availability of future resources. Designations may be modified, amended, or removed by Council action.

G. Deferred Compensation Plan

Town employees may defer a portion of their compensation under a Town sponsored Deferred Compensation Plan (Plan) created in accordance with Internal Revenue Code Section 457. Under this Plan, participants are not taxed on the deferred portion of their compensation until distributed to them. Distributions may be made only at termination, retirement, death, or in an emergency as defined by the Plan.

In fiscal 1997, the Town signed new Plan administration agreements with the administrator. These agreements incorporate changes in the laws governing deferred compensation plan assets, which now require plan assets to be held by a Trust for the exclusive benefit of Plan participants and their beneficiaries. Since the assets held under these new plans are not Town property and are not subject to claims by general creditors of the Town, they have been excluded from these financial statements.

H. Property Taxes

Revenue is recognized in the period for which the tax is levied. San Mateo County assesses properties and bills and collects property taxes for the Town; the County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on January 1.

Town of Atherton
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Secured property tax is due in two installments, on November 1 and February 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1 and becomes delinquent on August 31.

I. Accumulated Compensated Absences

Compensated absences include vacation, holiday, and compensated time off. The Town recognizes the liability for its compensated absences at year end as a general long-term debt liability, since this liability is expected to be paid from future revenues. The Town has designated General Fund fund balance to repay this liability.

J. Cash Flows

All Town investments have maturities of less than one month and are considered cash or equivalents for Statement of Cash Flows purposes.

K. Interfund Balances

During the normal course of business, individual funds may receive or pay amounts for other funds, giving rise to interfund receivables or payables, which are liquidated shortly thereafter.

L. Post-Employment Health Care Benefits

Full-time Town employees with 20 years of service and their surviving spouses are eligible for post-retirement health care benefits under a Town-sponsored plan. During the fiscal year ended June 30, 2000, six employees received benefits at a total cost to the Town of \$11,946.

M. Total Columns on Combined Financial Statements

Although each of the Town's funds is a separate accounting entity, the Combined Financial Statements also include total columns, which are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis.

Town of Atherton
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consideration, since no interfund eliminations have been made in the aggregation of this data.

3. CASH AND INVESTMENTS IN TREASURY

A. *Cash and Investments*

The Town pools its cash and investments of all funds for investing.

The Town's investments are limited to those allowable under State statutes as incorporated into the Town's Investment Policy that is even more conservative than that allowed by State statute. The Town's investment policy and the California Government Code allow the Town to invest in the following, provided the credit ratings of the issuers are acceptable to the Town:

- Local Agency Investment Fund (State of California)
- U.S. Treasury Obligations
- U.S. Government Agency Securities
- Medium-Term Notes
- Bankers' Acceptances
- Commercial Paper of United States corporations
- Passbook Savings
- Mutual Funds (invested solely in authorized investments)
- San Mateo County Investment Pool
- Certificates of Deposit

The Town has not entered into reverse repurchase agreements during fiscal year 1999-2000.

Local Agency Investment Fund

The Town invests in the Local Agency Investment Fund (LAIF), a State of California external investment pool. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available.

Town of Atherton

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2000

3. CASH AND INVESTMENTS IN TREASURY, Continued

The Town's investments with LAIF at June 30, 2000, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments may include the following:

- Structured Notes are debt securities (other than Asset-Backed Securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.
- Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMOs) or credit card receivables.

As of June 30, 2000, the Town had \$1,725,508 invested in LAIF, which had invested 6.228% of the pool investments funds in Structured Notes and Asset-Backed Securities.

San Mateo County Pooled Investment Fund

The Town invests in the San Mateo County Pooled Investment Fund (Pool), an external investment pool. The Pool determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available.

The Town's investments with the Pool at June 30, 2000, include a portion of the pool funds invested in Asset-Backed Securities. These investments may include the following:

- Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMOs) or credit card receivables.

As of June 30, 2000, the Town had \$4,585,599 invested in the Pool.

At June 30, 2000, the carrying amount of the Town's cash deposits was \$(68,855). Bank balances of the two Town bank accounts before reconciling items total \$105,001. Each bank account is insured up to \$100,000.

Town of Atherton
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

3. CASH AND INVESTMENTS IN TREASURY, Continued

California law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the deposit or first trust deed mortgage notes with a value of 150% of the deposit as collateral for all municipal deposits. This collateral is considered to be held in the Town's name and places the Town ahead of general creditors of the institution. The Town has waived collateral requirements for the portion of deposits covered by federal deposit insurance.

The Town's dependence on property tax receipts, which are received semi-annually, requires the Town to maintain significant cash reserves to finance operations during the remainder of the year.

Cash and investments are categorized into these three categories of risk:

Category 1 - Insured or registered, with securities held by the Town or its agent in the Town's name.

Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Town's name.

Category 3 - Uninsured and unregistered securities held by the counterparty, or by its trust department or agent but not in the Town's name. The Town has no investments in risk Category 3.

Uncategorized - Certain cash deposits and investments are not subject to categorization under GASB Statement No. 3 and are identified as "uncategorized."

At June 30, 2000, the Town's cash and investments, including restricted funds, classified by risk category consisted of the following:

	<u>Uncategorized</u>	<u>Fair Value</u>
Bank balance	\$ (68,855)	\$ (68,855)
Petty cash	200	200
Investments:		
Local Agency Investment Fund	1,725,508	1,725,508
San Mateo County Pool	4,585,599	4,585,599
Total investments	<u>6,311,107</u>	<u>6,311,107</u>
Total pooled cash and investments	<u>\$ 6,242,252</u>	<u>\$ 6,242,252</u>

Town of Atherton

Notes to General Purpose Financial Statements, Continued For the year ended June 30, 2000

3. CASH AND INVESTMENTS IN TREASURY, Continued

B. Cash Deposits

Cash deposits are entirely insured or collateralized by the institution holding the deposit. California law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the deposit or first trust deed mortgage notes with a value of 150% of the deposit as collateral for all municipal deposits. This collateral is considered to be held in the Town's name and places the Town ahead of general creditors of the institution. The Town has waived collateral requirements for the position of deposits covered by federal deposit insurance.

C. Investments to Fair Market Value

The Town's investments are carried at fair market value, as required by generally accepted accounting principles. The Town adjusts the carrying value of its investments, currently at \$111,344, to reflect their fair market value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

4. LAND, BUILDINGS AND EQUIPMENT

The Town makes capital outlays for general fixed assets and for infrastructure. General fixed assets include land, building, and equipment used in Town operations. Depreciation is not provided on general fixed assets since the cost of these assets is accounted for as an expenditure reducing fund balance in the year they are acquired.

Infrastructure includes roads, bridges, curbs, sidewalks, drainage systems, street and traffic lights, and other improvements used by all citizens. Expenditures for infrastructure are not capitalized.

Land, buildings, and equipment balances and activity for the year ended June 30, 2000, were:

	Balance June 30, 1999	Additions	Balance June 30, 2000
Land	\$ 689,523	\$ -	\$ 689,523
Building	334,247	-	334,247
Building improvements	1,068,124	10,835	1,078,959
Other improvements	686,623	-	686,623
Equipment - Administrative	502,490	3,625	506,115
Equipment - Corporation yard	305,276	-	305,276
Equipment - Holbrook-Palmer	160,040	-	160,040
Equipment - Police	1,151,994	36,424	1,188,418
Total fixed assets	\$ 4,898,317	\$ 50,884	\$ 4,949,201

Town of Atherton
 Notes to General Purpose Financial Statements, Continued
 For the year ended June 30, 2000

5. INTERFUND TRANSACTIONS

Interfund activity for the year ended June 30, 2000, was as follows:

A. *Operating Transfers In/Out*

	<u>Transfers In</u>	<u>Transfers out</u>
General Fund	\$ 1,492,309	\$ 186,236
Special Revenue Funds:		
Transportation	60,134	-
Street Improvement	-	100,000
Special Municipal Tax	-	1,573,942
Capital Projects Funds:		
General Fund Projects	<u>307,735</u>	<u>-</u>
Total	<u>\$ 1,860,178</u>	<u>\$ 1,860,178</u>

B. *Current Interfund Balances*

Due To/From Other Funds

	<u>Due To</u>	<u>Due From</u>
General Fund	\$ -	\$ 33,145
Transportation Fund	<u>33,145</u>	<u>-</u>
Total	<u>\$ 33,145</u>	<u>\$ 33,145</u>

6. PENSION PLAN

Plan Description - The Town of Atherton contributes to the California Public Employee Retirement System (PERS) an agent multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and Town ordinance. Copies of PERS' annual financial report may be obtained from their executive office at 400 P Street, Sacramento, CA 95814.

Town of Atherton
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

6. PENSION PLAN, Continued

Funding Policy - PERS requires Town employees to contribute 7% for miscellaneous employees and 9% for safety employees of their annual covered salary. The Town forwards the contributions made by Town employees on their behalf and for their account, which amounted to \$57,020.83. The Town is required to contribute at an actuarially determined rate; the current rate is 4.63% for non-safety employees and 8.336% for safety employees, of annual covered payroll.

Annual Pension Cost - For 1999-2000, the Town's annual pension cost of \$405,026 for PERS was equal to the Town's required and actual contribution. The required contribution was determined as part of the June 30, 1997, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included: (a) 8.25% investment rate of return (net of administrative expenses); (b) projected annual salary increases that vary by duration of service; and (c) 2% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.5%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gains and/or losses. PERS unfunded actuarial accrued liability (or surplus) is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 1998, was through the year 2017 for prior and current service unfunded liability.

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
1997-1998	137,396	100%	\$ 0
1998-1999	419,986	100%	0
1999-2000	405,026	100%	0

Social Security

The Town's part-time, seasonal, and temporary employees are covered under Social Security, which requires these employees and the Town to each contribute 6.2% of the employees' pay. Total contributions to Social Security during the year ended June 30, 2000, amounted to \$31,854, of which the Town paid one-half.

Town of Atherton
 Notes to General Purpose Financial Statements, Continued
 For the year ended June 30, 2000

7. RISK MANAGEMENT

A. Risk Pool

The Town belongs to ABAG Plan Corporation, which covers general liability claims in an amount up to \$7,000,000. The Town has a deductible or uninsured liability of up to \$25,000 per claim. Once the Town's deductible is met, ABAG Plan becomes responsible for payment of all claims up to the limit. Other coverage includes Risk Property Coverage of \$100,000,000 for property and \$50,000,000 for boiler and machinery with a deductible of \$5,000 for property damage and \$10,000 for auto/vehicle damage, and Public official bond insurance of \$1,000,000 with a deductible of \$5,000. During the fiscal year ended June 30, 2000, the Town contributed \$100,823 for current year coverage and received a refund of \$23,135 of prior year excess contributions.

The Cities Group covers workers' compensation claims up to \$250,000 each and has coverage above that limit to a maximum of \$6,900,000. The Town has no deductible for the claims. During the fiscal year ended June 30, 2000, the Town contributed \$195,112 for current year coverage.

Each risk pool is governed by a board consisting of representatives from member municipalities. The board controls the operations of each risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the board.

The Town's contributions to each risk pool equal the ratio of the Town's payroll to the total payrolls of all entities participating in the same layer of each program, in each program year. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

B. Liability for Uninsured Claims

Municipalities are required to record their liability for uninsured claims and to reflect the current portion of this liability as an expenditure in their financial statements. As discussed above, the Town has coverage for such claims, but it has retained the risk for the deductible, or uninsured portion of these claims. The Town's liability for uninsured claims based on claims experience was computed as follows:

	<u>General Fund</u>
Beginning balance	\$ 25,879
Liability for current fiscal year claims	13,900
Claims paid	<u>(11,591)</u>
Ending balance	<u>\$ 28,188</u>

Town of Atherton

Notes to General Purpose Financial Statements, Continued

For the year ended June 30, 2000

8. JOINT VENTURES

The Town participates in several active joint ventures through formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these entities exercise full powers and authorities within the scope of the related Joint Powers Agreements (JPA), including selection of management and approval of operating budgets, independent of any influence by each member beyond representation on each Board. Obligations and liabilities of these joint ventures are not the Town's responsibility, and the Town does not have an equity interest in the assets of each joint venture except upon dissolution.

A. City/County Association of Governments (C/CAG)

C/CAG was established under a 1990 Joint Exercise of Powers Agreement between the Town, San Mateo County and a majority of cities within San Mateo County for the purpose of developing State mandated plans. Members of C/CAG pay their pro rata share of the total annual contributions required based on the member's 1990 population. Financial statements for C/CAG may be obtained by mailing a request to the Town of San Carlos, 666 Elm Street, San Carlos, CA 94070.

B. Family and Community Enrichment Services (FACES)

FACES was formed in 1988 between the Cities of Belmont and San Carlos, the Town of Atherton, the Unified School Districts of Belmont and San Carlos and the Sequoia Union High School District to prevent students from dropping out of school. FACES budgets for its annual expenses and then seeks funding from grants and the public.

Based on the level of service provided to each agency, the members contribute any remaining operating needs. Financial statements for FACES may be obtained by mailing a request to Family and Community Enrichment Services, Inc., 1607 Industrial Way, Belmont, CA 94002.

C. Alcohol Violation Temporary Housing Authority (AVTHA)

AVTHA was established between San Mateo County and most of the cities and towns in San Mateo County to provide temporary housing and counseling to persons accused of alcohol related law violations. AVTHA contracts with an operator to provide such services. The costs of operating the temporary housing are allocated to each member based on alcohol related arrests occurring within each member's jurisdiction. Financial statements for AVTHA may be obtained by mailing a request to the Redwood Town, 801 Marshall Street, Suite 600, Redwood Town, CA 94063.

Town of Atherton
Notes to General Purpose Financial Statements, Continued
For the year ended June 30, 2000

8. JOINT VENTURES, Continued

D. Library Joint Powers Agreement

In December 1998, the Town joined with San Mateo County and ten other municipalities in the County to Coordinate and expand library services throughout the County, including those in the Town.

9. COMMITMENTS AND CONTINGENCIES

The Town is subject to litigation arising in the normal course of business. In the opinion of the Town Attorney there is no pending litigation which is likely to have a material adverse effect on the financial position of the town.

This page intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Atherton
 Required Supplementary Information
 For the year ended June 30, 2000

PUBLIC EMPLOYEES RETIREMENT SYSTEM
 SCHEDULE OF FUNDING PROGRESS

SAFETY PLAN - Actuarial

Valuation Date	Entry Age Accrued Liability	Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
1996	\$ 7,496,011	\$ 7,103,761	\$ 392,250	94.8%	\$ 1,177,931	33.300%
1997	8,072,668	8,341,070	(268,402)	103.3%	1,274,989	(21.05)%
1998	9,273,325	10,003,334	730,009	107.9%	1,468,401	49.715%

MISCELLANEOUS PLAN - Actuarial

Valuation Date	Entry Age Accrued Liability	Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
1996	\$ 2,347,907	\$ 2,329,139	\$ 18,768	99.2%	\$ 1,363,496	1.376%
1997	2,348,959	3,100,213	(751,254)	132.0%	1,269,778	(59.16)%
1998	2,892,835	4,058,421	(1,165,586)	140.3%	1,427,064	(81.68)%

**COMBINING, INDIVIDUAL FUNDS AND ACCOUNT GROUPS
FINANCIAL STATEMENTS AND SCHEDULES**

Town of Atherton
 Combining Balance Sheet
 Special Revenue Funds
 June 30, 2000
 (With comparative totals for June 30, 1999)

	Tennis	Transportation	Street Improvement
ASSETS			
Cash and investments in treasury	\$ 9,733	\$ 60,665	\$ 68,489
Interest receivable	-	-	-
Total assets	\$ 9,733	\$ 60,665	\$ 68,489
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 701
Due to other funds	-	33,145	-
Total liabilities	-	33,145	701
Fund Balances:			
Reserved:			
Encumbrances	-	-	3,200
Designated for Streets	-	-	-
Undesignated	9,733	27,520	64,588
Total fund balances	9,733	27,520	67,788
Total liabilities and fund balances	\$ 9,733	\$ 60,665	\$ 68,489

Special Municipal Tax	Supplemental Law Enforcement Services	Totals	
		2000	1999
\$ -	\$ 15,474	\$ 154,361	\$ 226,768
-	-	-	-
<u>\$ -</u>	<u>\$ 15,474</u>	<u>\$ 154,361</u>	<u>\$ 226,768</u>
\$ -	\$ 1,997	\$ 2,698	\$ 20,569
-	-	33,145	-
-	1,997	35,843	20,569
-	4,600	7,800	10,187
-	-	-	179,043
-	8,877	110,718	16,969
-	13,477	118,518	206,199
<u>\$ -</u>	<u>\$ 15,474</u>	<u>\$ 154,361</u>	<u>\$ 226,768</u>

Town of Atherton
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Special Revenue Funds
For the year ended June 30, 2000
(With comparative amounts for the year ended June 30, 1999)

	Tennis	Transportation	Street Improvement
REVENUES:			
Property taxes	\$ -	\$ -	\$ -
Measure A grants	-	222,128	-
From other agencies	-	-	-
Service charges	-	-	-
Use of money and property	658	350	9,623
Gas tax	-	-	138,901
Donations	-	-	-
Total revenues	<u>658</u>	<u>222,478</u>	<u>148,524</u>
EXPENDITURES:			
Current:			
Police	-	-	-
Park maintenance	138	-	-
Streets	-	267,312	159,779
Total expenditures	<u>138</u>	<u>267,312</u>	<u>159,779</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>520</u>	<u>(44,834)</u>	<u>(11,255)</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	60,134	-
Operating transfers out	-	-	(100,000)
Total other financing sources (uses)	<u>-</u>	<u>60,134</u>	<u>(100,000)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	<u>520</u>	<u>15,300</u>	<u>(111,255)</u>
FUND BALANCE:			
Beginning of year	<u>9,213</u>	<u>12,220</u>	<u>179,043</u>
End of year	<u>\$ 9,733</u>	<u>\$ 27,520</u>	<u>\$ 67,788</u>

Special Municipal Tax	Supplemental Law Enforcement Services	Totals	
		2000	1999
\$ 1,573,942	\$ -	\$ 1,573,942	\$ 1,573,991
-	-	222,128	226,226
-	16,771	16,771	-
-	-	-	11,080
-	103	10,734	10,106
-	-	138,901	151,993
-	-	-	1,914
<u>1,573,942</u>	<u>16,874</u>	<u>1,962,476</u>	<u>1,975,310</u>
-	9,120	9,120	24,753
-	-	138	1,978
-	-	427,091	587,137
<u>-</u>	<u>9,120</u>	<u>436,349</u>	<u>613,868</u>
<u>1,573,942</u>	<u>7,754</u>	<u>1,526,127</u>	<u>1,361,442</u>
-	-	60,134	328,000
<u>(1,573,942)</u>	<u>-</u>	<u>(1,673,942)</u>	<u>(1,675,698)</u>
<u>(1,573,942)</u>	<u>-</u>	<u>(1,613,808)</u>	<u>(1,347,698)</u>
-	7,754	(87,681)	13,744
-	5,723	206,199	192,455
<u>\$ -</u>	<u>\$ 13,477</u>	<u>\$ 118,518</u>	<u>\$ 206,199</u>

Town of Atherton

Combining Statement of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual - Special Revenue Funds

For the year ended June 30, 2000

	Tennis		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES:			
Property taxes	\$ -	\$ -	\$ -
Measure A grants	-	-	-
From other agencies	-	-	-
Use of money and property	-	658	658
Gas tax	-	-	-
Total revenues	<u>-</u>	<u>658</u>	<u>658</u>
EXPENDITURES:			
Current:			
Police	-	-	-
Park maintenance	-	138	(138)
Streets	-	-	-
Total expenditures	<u>-</u>	<u>138</u>	<u>(138)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>520</u>	<u>520</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	<u>\$ -</u>	<u>520</u>	<u>\$ 520</u>
FUND BALANCE:			
Beginning of year		<u>9,213</u>	
End of year		<u>\$ 9,733</u>	

Transportation			Street Improvement		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
210,000	222,128	12,128	-	-	-
-	-	-	-	-	-
4,000	350	(3,650)	9,200	9,623	423
-	-	-	145,000	138,901	(6,099)
<u>214,000</u>	<u>222,478</u>	<u>8,478</u>	<u>154,200</u>	<u>148,524</u>	<u>(5,676)</u>
-	-	-	-	-	-
-	-	-	-	-	-
381,000	267,312	113,688	203,376	159,779	43,597
<u>381,000</u>	<u>267,312</u>	<u>113,688</u>	<u>203,376</u>	<u>159,779</u>	<u>43,597</u>
(167,000)	(44,834)	122,166	(49,176)	(11,255)	37,921
53,000	60,134	7,134	53,000	-	(53,000)
-	-	-	(100,000)	(100,000)	-
<u>53,000</u>	<u>60,134</u>	<u>7,134</u>	<u>(47,000)</u>	<u>(100,000)</u>	<u>(53,000)</u>
<u>\$ (114,000)</u>	15,300	<u>\$ 129,300</u>	<u>\$ (96,176)</u>	(111,255)	<u>\$ (15,079)</u>
	12,220			179,043	
	<u>\$ 27,520</u>			<u>\$ 67,788</u>	

(continued)

Town of Atherton

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual - Special Revenue Funds, Continued

For the year ended June 30, 2000

	Special Municipal Tax		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Property taxes	\$ 1,559,000	\$ 1,573,942	\$ 14,942
Measure A grants	-	-	-
From other agencies	-	-	-
Use of money and property	6,000	-	(6,000)
Gas tax	-	-	-
Total revenues	<u>1,565,000</u>	<u>1,573,942</u>	<u>8,942</u>
EXPENDITURES:			
Current:			
Police	-	-	-
Park maintenance	-	-	-
Streets	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,565,000</u>	<u>1,573,942</u>	<u>8,942</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	-	-
Operating transfers out	(1,565,000)	(1,573,942)	(8,942)
Total other financing sources (uses)	<u>(1,565,000)</u>	<u>(1,573,942)</u>	<u>(8,942)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE:			
Beginning of year		-	
End of year		<u>\$ -</u>	

Supplemental Law Enforcement Services			Totals		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 1,559,000	\$ 1,573,942	\$ 14,942
-	-	-	210,000	222,128	12,128
16,500	16,771	271	16,500	16,771	271
750	103	(647)	19,950	10,734	(9,216)
-	-	-	145,000	138,901	(6,099)
<u>17,250</u>	<u>16,874</u>	<u>(376)</u>	<u>1,950,450</u>	<u>1,962,476</u>	<u>12,026</u>
-	9,120	(9,120)	-	9,120	(9,120)
-	-	-	-	138	(138)
-	-	-	584,376	427,091	157,285
-	9,120	(9,120)	584,376	436,349	148,027
<u>17,250</u>	<u>7,754</u>	<u>(9,496)</u>	<u>1,366,074</u>	<u>1,526,127</u>	<u>160,053</u>
-	-	-	106,000	60,134	(45,866)
-	-	-	(1,665,000)	(1,673,942)	(8,942)
-	-	-	(1,559,000)	(1,613,808)	(54,808)
<u>\$ 17,250</u>	<u>7,754</u>	<u>\$ (9,496)</u>	<u>\$ (192,926)</u>	<u>(87,681)</u>	<u>\$ 105,245</u>
	5,723			206,199	
	<u>\$ 13,477</u>			<u>\$ 118,518</u>	

(concluded)

This page intentionally left blank.

Town of Atherton
 Combining Balance Sheet
 Capital Project Funds

June 30, 2000

(With comparative totals for June 30, 1999)

	Storm Drainage	Channel Drainage District	Capital Improvement	Totals	
				2000	1999
ASSETS					
Cash and investments	\$ 267,539	\$ 320,915	\$ 448,648	\$ 1,037,102	\$ 1,121,668
Accounts receivable	50,589	-	30,618	81,207	-
Total assets	\$ 318,128	\$ 320,915	\$ 479,266	\$ 1,118,309	\$ 1,121,668
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 11,101	\$ 11,101	\$ 33,871
Total liabilities	-	-	11,101	11,101	33,871
Fund Balances:					
Reserved:					
Encumbrances	15,000	-	7,200	22,200	83,250
Capital projects	303,128	320,915	460,965	1,085,008	1,004,547
Undesignated	-	-	-	-	-
Total fund balances	318,128	320,915	468,165	1,107,208	1,087,797
Total liabilities and fund balances	\$ 318,128	\$ 320,915	\$ 479,266	\$ 1,118,309	\$ 1,121,668

This page intentionally left blank.

Town of Atherton

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Capital Project Funds

For the year ended June 30, 2000

(With comparative totals for the year ended June 30, 1999)

	Storm Drainage	Channel Drainage District	Capital Improvement	Totals	
				2000	1999
REVENUES:					
Special assessments	\$ 50,589	\$ 29,560	\$ -	\$ 80,149	\$ 26,208
Use of money and property	12,802	18,889	16,646	48,337	34,126
Donations	-	-	30,618	30,618	4,900
Total revenues	63,391	48,449	47,264	159,104	65,234
EXPENDITURES:					
Capital projects	48,574	202,463	196,391	447,428	364,946
Total expenditures	48,574	202,463	196,391	447,428	364,946
REVENUES OVER (UNDER) EXPENDITURES	14,817	(154,014)	(149,127)	(288,324)	(299,712)
OTHER FINANCING SOURCES (USES):					
Operating transfers in	-	-	307,735	307,735	240,460
Operating transfers out	-	-	-	-	(238,000)
Total other financing sources (uses)	-	-	307,735	307,735	2,460
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	14,817	(154,014)	158,608	19,411	(297,252)
FUND BALANCE:					
Beginning of year	303,311	474,929	309,557	1,087,797	1,385,049
End of year	\$ 318,128	\$ 320,915	\$ 468,165	\$ 1,107,208	\$ 1,087,797

Town of Atherton

Combining Statement of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual - Capital Projects Funds
 For the year ended June 30, 2000

	Storm Drainage			Channel Drainage District		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Special assessments	\$ -	\$ 50,589	\$ 50,589	\$ 26,750	\$ 29,560	\$ 2,810
Use of money and property	15,000	12,802	(2,198)	20,000	18,889	(1,111)
Donations	-	-	-	-	-	-
Total revenues	<u>15,000</u>	<u>63,391</u>	<u>48,391</u>	<u>46,750</u>	<u>48,449</u>	<u>1,699</u>
EXPENDITURES:						
Capital projects	256,153	48,574	207,579	240,237	202,463	37,774
Total expenditures	<u>256,153</u>	<u>48,574</u>	<u>207,579</u>	<u>240,237</u>	<u>202,463</u>	<u>37,774</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(241,153)</u>	<u>14,817</u>	<u>255,970</u>	<u>(193,487)</u>	<u>(154,014)</u>	<u>39,473</u>
OTHER FINANCING SOURCES:						
Operating transfers in	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	<u>\$(241,153)</u>	<u>14,817</u>	<u>\$ 255,970</u>	<u>\$(193,487)</u>	<u>(154,014)</u>	<u>\$ 39,473</u>
FUND BALANCE:						
Beginning of year		<u>303,311</u>			<u>474,929</u>	
End of year		<u>\$ 318,128</u>			<u>\$ 320,915</u>	

Capital Improvement			Totals		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 25,000	\$ -	\$ (25,000)	\$ 51,750	\$ 80,149	\$ 28,399
20,000	16,646	(3,354)	55,000	48,337	(6,663)
-	30,618	30,618	-	30,618	30,618
45,000	47,264	2,264	106,750	159,104	52,354
207,102	196,391	10,711	703,492	447,428	256,064
207,102	196,391	10,711	703,492	447,428	256,064
(162,102)	(149,127)	12,975	(596,742)	(288,324)	308,418
306,102	307,735	1,633	306,102	307,735	1,633
306,102	307,735	1,633	306,102	307,735	1,633
<u>\$ 144,000</u>	158,608	<u>\$ 14,608</u>	<u>\$(290,640)</u>	19,411	<u>\$ 310,051</u>
	<u>309,557</u>			<u>1,087,797</u>	
	<u>\$ 468,165</u>			<u>\$ 1,107,208</u>	

This page intentionally left blank.

Town of Atherton
Statement of Changes in Assets and Liabilities
All Agency Funds
For the year ended June 30, 2000

	Balance July 1, 1999	Additions	Reductions	Balance June 30, 2000
<u>All Agency Funds</u>				
Assets:				
Cash and investments	\$ 77,837	\$ 87,997	\$ (78,319)	\$ 87,515
Accounts receivable	2,316	11,432	(2,316)	11,432
Interest receivable	(25)	25	(25)	(25)
Total assets	<u>\$ 80,128</u>	<u>\$ 99,454</u>	<u>\$ (80,660)</u>	<u>\$ 98,922</u>
Liabilities:				
Accounts payable	\$ -	\$ 20	\$ -	\$ 20
Deposits payable	77,812	98,902	(77,812)	98,902
Due to other funds	2,316	482	(2,798)	-
Total liabilities	<u>\$ 80,128</u>	<u>\$ 99,404</u>	<u>\$ (80,610)</u>	<u>\$ 98,922</u>

Town of Atherton
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2000

	Balance July 1, 1999	Additions	Reductions	Balance June 30, 2000
<u>Evans Creative Design Fund</u>				
Assets:				
Cash and investments	\$ 75,396	\$ 84,326	\$ (75,396)	\$ 84,326
Total assets	\$ 75,396	\$ 84,326	\$ (75,396)	\$ 84,326
Liabilities:				
Accounts payable	\$ -	\$ 20	\$ -	\$ 20
Deposits payable	75,396	84,306	(75,396)	84,306
Total liabilities	\$ 75,396	\$ 84,326	\$ (75,396)	\$ 84,326
<u>MA Little League</u>				
Assets:				
Cash and investments	\$ -	\$ 633	\$ -	\$ 633
Accounts receivable	1,834	11,432	(1,834)	11,432
Total assets	\$ 1,834	\$ 12,065	\$ (1,834)	\$ 12,065
Liabilities:				
Deposits payable	\$ -	\$ 12,065	\$ -	\$ 12,065
Due to other funds	1,834	-	(1,834)	-
Total liabilities	\$ 1,834	\$ 12,065	\$ (1,834)	\$ 12,065
<u>Library Extension Fund</u>				
Assets:				
Cash and investments	\$ -	\$ 482	\$ (482)	\$ -
Accounts receivable	482	-	(482)	-
Total assets	\$ 482	\$ 482	\$ (964)	\$ -
Liabilities:				
Due to other funds	\$ 482	\$ 482	\$ (964)	\$ -
Total liabilities	\$ 482	\$ 482	\$ (964)	\$ -

(continued)

Town of Atherton
 Combining Statement of Changes in Assets and Liabilities
 Agency Funds, Continued
 For the year ended June 30, 2000

	Balance July 1, 1999	Additions	Reductions	Balance June 30, 2000
<u>H-P Park Improvement Fund</u>				
Assets:				
Cash and investments	\$ 1,717	\$ 1,807	\$ (1,717)	\$ 1,807
Interest receivable	(25)	25	(25)	(25)
Total assets	\$ 1,692	\$ 1,832	\$ (1,742)	\$ 1,782
Liabilities:				
Deposits payable	\$ 1,692	\$ 1,782	\$ (1,692)	\$ 1,782
Total liabilities	\$ 1,692	\$ 1,782	\$ (1,692)	\$ 1,782
<u>Tree Committee</u>				
Assets:				
Cash and investments	\$ 724	\$ 749	\$ (724)	\$ 749
Total assets	\$ 724	\$ 749	\$ (724)	\$ 749
Liabilities:				
Deposits payable	\$ 724	\$ 749	\$ (724)	\$ 749
Total liabilities	\$ 724	\$ 749	\$ (724)	\$ 749

(concluded)

This page intentionally left blank.